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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 023728

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 2/1/03 AND ENDING 1/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Mark Boyae & Company, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

35 East 21st Street, Suite 8 East

(No. and Street)

New York

(City)

NY

(State)

10010-6212

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Frank A Gallo, CPA (516) 681-4700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Gallo & Penzone, LLP

(Name - if individual, state last, first, middle name)

420 Jericho Turnpike, Suite 101, Jericho, NY 11753-1372

(Address)

(City)

(State)

(Zip Code)

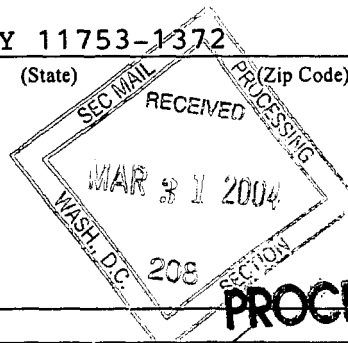
CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

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THOMSON
FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

- 1 -

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SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Mark A Boyar, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mark Boyar & Company, Inc., as of January 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Mark A Boyar
Signature

Mark A Boyar, President
Title

Richard I. Wolff
Notary Public

RICHARD I. WOLFF
Notary Public, State of New York
No. 31-9726910
Qualified in New York County
Commission Expires February 28, 2007

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of cash flow
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

MARK BOYAR & COMPANY, INC.
FINANCIAL STATEMENTS
JANUARY 31, 2004

MARK BOYAR & COMPANY, INC.

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Gallo & Penzone, LLP
Certified Public Accountants

Frank A. Gallo, CPA
Joseph T. Penzone, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Shareholder of Mark Boyar & Company, Inc.

We have audited the accompanying balance sheet of Mark Boyar & Company, Inc. (a New York Corporation) as of January 31, 2004, and the related statements of income, changes in shareholder's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mark Boyar & Company, Inc., at January 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 10 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gallo & Penzone, LLP

Gallo & Penzone, LLP
Certified Public Accountants
Jericho, New York

March 18, 2004

MARK BOYAR & COMPANY, INC.

Balance Sheet

January 31, 2004

ASSETS

Current Assets

Cash	\$ 65,845
Money market fund	345,353
Marketable securities (Note 2)	3,640
Officer's loans receivable	37,299
Deferred tax asset (Note 3)	<u>10,865</u>

Total Current Assets	463,002
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Fixed and Other Assets

Furniture, fixtures and leasehold improvements less	<u>79,672</u>
Accumulated depreciation of \$92,871 (Notes 2 and 6)	

TOTAL ASSETS	<u>\$ 542,674</u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

Accounts payable	\$ 57,380
Miscellaneous payable	<u>5,806</u>

Total Current Liabilities	<u>63,186</u>
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Stockholder's Equity

Common stock (20,000 shares of stock authorized at \$0.01 per share, 1,000 shares issued and outstanding)	10
Additional paid in capital	3,990
Retained earnings	<u>475,488</u>

Total Stockholder's Equity	<u>479,488</u>
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TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 542,674</u>
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See Notes to Financial Statements.

MARK BOYAR & COMPANY, INC.
Statement of Income
For the Fiscal Year Ended January 31, 2004

REVENUES

Commission income	\$ 981,161
Commission income-soft dollar	380,829
Interest and dividend income	5,549
Loss on error account	(54)
Miscellaneous income	2,215
Licensing fee income	30,000
Net realized loss from firm investments	(825)
Net unrealized loss from firm investments	<u>(2,215)</u>

TOTAL REVENUE	<u>1,396,660</u>
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EXPENSES

Officer's salary	530,000
Employee's salaries	486,480
General & administrative expense	297,788
Payroll taxes	57,181
Rent	74,622
Depreciation (Note 2)	20,999
Regulatory fees and dues	4,674
Printing	<u>32,074</u>

TOTAL EXPENSES	<u>1,503,818</u>
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Loss Before Provision for Income Taxes	(107,158)
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Provision for Income Taxes	<u>(5,083)</u>
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NET LOSS	<u>\$ (112,241)</u>
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See Notes to Financial Statements.

MARK BOYAR & COMPANY, INC.
Statement of Changes in Shareholder's Equity
For the Fiscal Year Ended January 31, 2004

	<u>Total</u>	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Retained Earnings</u>
Shareholder's Equity February 1, 2003	\$ 591,729	\$ 10	\$ 3,990	\$ 587,729
Net Loss	<u>(112,241)</u>	<u>-0-</u>	<u>-0-</u>	<u>(112,241)</u>
Shareholder's Equity January 31, 2004	<u>\$ 479,488</u>	<u>\$ 10</u>	<u>\$ 3,990</u>	<u>\$ 475,488</u>

See Notes to Financial Statements.

MARK BOYAR & COMPANY, INC.
Statement of Cash Flows
For the Fiscal Year Ended January 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss	\$ (112,241)
Adjustments to Reconcile Net Income to Net Cash provided by operating activities:	
Depreciation	20,999
Decrease in commission's receivable	89,593
Increase in miscellaneous payable	10,933
Increase in accounts payable	13,729
Increase in deferred tax asset	<u>(12,128)</u>
Net Cash Provided by Operating Activities	<u>10,885</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in marketable securities	<u>3,040</u>
Net Cash Provided by Investing Activities	<u>3,040</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 13,925

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 397,273

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 411,198

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid During the year for:	
Corporation Taxes	<u>\$ 14,474</u>

See Notes to Financial Statements.

MARK BOYAR & COMPANY, INC.
Notes to Financial Statements
January 31, 2004

Note 1- GENERAL BUSINESS

The primary sources of revenue are brokerage commissions, soft-dollar commissions and fees for research services. Mark Boyar & Company, Inc. (the "Company") clears all of its brokerage activity through a New York Stock Exchange member firm as an introducing broker and receives an agreed percentage of commissions earned.

Note 2- SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For the statement of cash flows, the Company includes cash on deposit and money market funds with maturities less than three months to be cash equivalents.

Investments

The Company carries all marketable securities at market value. The cost basis of marketable securities at January 31, 2004 is \$20,988.

Fixed Assets

Furniture, fixtures and equipment are carried at cost and are depreciated on an accelerated method with a useful life of five to seven years.

Leasehold improvements are being depreciated on a straight-line basis over a period of twenty years.

Certain Significant Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Note 3- INCOME TAXES

The Company prepares its income tax returns on the cash basis of accounting. As a result thereof, various items of revenue and expense will be recognized in different periods for book and tax accounting purposes. This has resulted in a \$10,865 deferred tax asset at January 31, 2004.

MARK BOYAR & COMPANY, INC.
Notes to Financial Statements
January 31, 2004

Note 4- REIMBURSED EXPENSES

Under an informal agreement, Boyar Asset Management, Inc., an affiliated company, and Mark Boyar & Company, Inc., have reimbursed each other for certain operating expenses. For the year ended January 31, 2004, the amount of such net reimbursement received by the Company amounted to \$340,117. The amount due to Boyar Asset Management, Inc. at January 31, 2004 is \$5,354.

Note 5- MINIMUM NET CAPITAL

As a registered broker-dealer, the Company is required to maintain certain minimum "net capital" as well as a ratio, whereby "net capital" exceeds the greater of \$5,000 or 6-2/3% of "aggregate indebtedness" as these terms are defined in accordance with the provisions of Rule 15c3-1 of the Securities Exchange Commission.

At January 31, 2004, the Company had "excess net capital" in the amount of \$338,653.

Retained earnings may be restricted as to the availability for the payment of dividends. Operations may be restricted in order to maintain the required "net capital" ratio as defined.

Should the company fail to maintain such capital requirements, it could be subject to sanction or possible suspension.

Note 6- FIXED ASSETS

As of January 31, 2004 fixed assets consist of the following:

	<u>Amount</u>
Equipment and Furniture	\$ 48,571
Art Work	62,698
Leasehold Improvements	<u>61,274</u>
Total Fixed Assets	172,543
Less Accumulated Depreciation	<u>(92,871)</u>
Net Book Value	<u>\$ 79,672</u>

MARK BOYAR & COMPANY, INC.
 Computation of Net Capital Pursuant to Uniform
 Net Capital Rule 15c3-1
 January 31, 2004

CREDITS

Shareholders equity	<u>\$ 479,488</u>
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DEBITS

Furniture, fixtures and leasehold improvements (net of accumulated depreciation)	79,672
Prepaid expenses & receivables	<u>48,164</u>
	<u>127,836</u>

Net Capital before Haircuts on Securities Position	<u>351,652</u>
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Haircut on securities (computed, where applicable, pursuant to 15a3-1(f)):

Trading and Investment Securities

a. Other securities	1,092
b. Money market & government funds @ 2%	<u>6,907</u>
	<u>7,999</u>

Net Capital	343,653
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Minimum net capital requirements of the greater of \$5,000 or 6-2/3% of aggregate indebtedness (Note 5)	<u>5,000</u>
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Excess in Net Capital	<u>\$ 338,653</u>
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Excess Net Capital at 1,000%	<u>\$ 337,334</u>
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Total Aggregate Indebtedness	<u>\$ 63,186</u>
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Percentage of Aggregate Indebtedness to Net Capital	<u>18.39%</u>
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Percentage of Debt to Debt-Equity Total Computed in Accordance with Rule 15c3-1(d)	<u>N/A</u>
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See Notes to Financial Statements.

MARK BOYAR & COMPANY, INC.
Supplemental Report to the Accountants' Audited Report
For the Fiscal Year Ended January 31, 2004

15c3-3 Exemption

The Company has claimed exemption from Rule 15c3-3 based on the fact that all customer transactions are cleared through Pershing, LLC on a fully disclosed basis. In the opinion of the management of Mark Boyar & Company, Inc., the conditions of the Company's exemption from Rule 15c3-3 was complied with throughout the year ended January 31, 2004.

MARK BOYAR & COMPANY, INC.
Reconciliation of Computation of Net Capital (Rule 15c3-1)
Pursuant to Rule 17a-5(d)(4)
January 31, 2004

There are no material differences between the Company's computation of net capital under Rule 15c3-1 and that shown on the schedule below, except for accruals and adjustments listed which resulted during the course of the audit. Such items resulted in the following differences:

Net Capital per Unaudited Focus Report	\$ 342,842
Adjustments to Net Capital:	
Accrued expenses and other assets	<u>811</u>
Net Capital per Audited Focus Report	<u>\$ 343,653</u>

	Unaudited Focus <u>01/31/04</u>	Audited Focus <u>01/31/04</u>
Net Capital	\$ 342,842	\$ 343,653
Minimum Net Capital at 6-2/3% of AI	5,000	5,000
Excess Net Capital	337,842	338,653
Excess Capital at 1,000%	336,568	337,334
Total Aggregate Indebtedness (AI)	62,734	63,186
Percentage of AI to Net Capital	18.00%	18.39%

See Notes to Financial Statements.



Gallo & Penzone, LLP
Certified Public Accountants

Frank A. Gallo, CPA
Joseph T. Penzone, CPA

Report on Internal Control Structure Required by SEC Rule 17a-5
For a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3
January 31, 2004

To the Board of Directors
and Shareholder of Mark Boyar & Company, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Mark Boyar & Company, Inc. (the "Company") for the year ended January 31, 2004, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (the "Commission"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objective referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at January 31, 2004, to meet the Commission's objectives.

This report is intended solely for the use of the Board of Directors, management, the Securities and Exchange Commission, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.



Gallo & Penzone, LLP
Certified Public Accountants
Jericho, New York

March 18, 2004